

Message Text

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ACTION XMB-04

INFO OCT-01 EA-07 ISO-00 L-03 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

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R 260946Z NOV 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 3293

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E.O. 11652: NA

TAGS: EFIN, RP

SUBJECT: PROPOSED FERTILAIID FACILITIES

REF: STATE 260992

1. JOHN PORTER, SR. IS A RESEARCHER WHO HAS DEVELOPED A SOIL CONDITIONER/FERTILIZER WHICH UTILIZES A PARTICULAR TYPE OF BACTERIA TO BREAK DOWN MATERIALS IN THE SOIL AND THEREBY ELIMINATE TOXINS WHILE PROMOTING SOIL FERTILITY. THE EMBASSY IS NOT IN A POSITION TO MAKE A TECHNICAL JUDGEMENT AS TO THE VALIDITY OF THE GLOWING CLAIMS WHICH MR. PORTER MAKES FOR THE PROJECT, BUT THE EMBASSY UNDERSTANDS THAT AN INDEPENDENT EVALUATION OF THE CHEMICAL COMPOSITION OF THE PROJECT HAS CONFIRMED THAT ITS COMPOSITION IS CONSISTENT WITH THAT OF GARDEN AND LAWN TYPE FERTILIZERS. A DEALERSHIP HAS BEEN ESTABLISHED, AND THE PROJECT IS BEING IMPORTED AND SOLD.

2. THE PROPOSED PROJECT IS, AS DESCRIBED TO US BY THE PORTERS, TO CONSTRUCT A FACTORY WHICH WILL PRODUCE FERTILAIID, UTILIZING IN THE PROCESS WASTE MATERIALS. FERTILAIID WILL BE SOLD IN THE PHILIPPINES FOR AGRICULTURAL PURPOSES. MRS. PORTER HAS TOLD EMBOFF THAT ORIGINALLY 80 PERCENT OF RAW MATERIALS BY VOLUME WILL BE IMPORTED FROM THE

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PROTER FACILITY IN TEXAS. SHE SAID THAT AT NO TIME

DURING LIFE OF PROJECT WILL RAW MATERIALS IMPORTS BE LESS THAN 20 PERCENT.

3. MISS BERNADETTE LOMOTON, OFFICE MANAGER OF THE FERTILIZER INDUSTRY AUTHORITY, DISCUSSED THE FERTILIZED SITUATION WITH THE EMBASSY AGRICULTURAL ATTACHE'. SHE SAID THE FIA HAS NO SAY IN THE DECISION TO ESTABLISH THE FERTILIZED PLANT BY PORTER IN MARIVELES, BATAAN. THE FIA POSITION ON LOCAL SALES WAS THAT IMPORTS SHOULD BE LIMITED TO 100 TONS FOR EXPERIMENTAL PURPOSES. SHE STATES THAT AS FAR AS THE FIA IS CONCERNED, NO ADEQUATE CONTROLLED FIELD TESTING YET HAS BEEN CONDUCTED IN THE PHILIPPINES FOR FERTILIZED. INFLUENCED BY THE PALACE, FIA WAS "FORCED" TO AUTHORIZE IMPORTS OF 5,000 TONS FOR MARKET AND FIELD TESTING PURPOSES. THE FIA IS NOT YET EXCITED ABOUT FERTILIZED, MAINLY OWING TO ITS LOW FERTILIZER CONTENT AND ITS VERY HIGH PRICE RELATIVE TO INORGANIC FERTILIZERS.

4. PORTER DOES HAVE SUPPORT FROM THE PALACE. RODOLFO MARTEL, MARRIED TO MRS. MARCOS' PERSONAL PHYSICIAN AND COUSIN, IS ON THE BOARD OF DIRECTORS OF JOHN C. PORTER ENTERPRISES PHILIPPINES, INC. HE IS REPUTED TO BE ONE OF MRS. MARCOS' BUSINESS FRONTS. PORTER ALSO HAS THE SUPPORT OF THE DEPARTMENT OF AGRARIAN REFORM AND AGRICULTURAL CREDIT ADMINISTRATION. MAC FABIAN, PRESIDENT OF THE FEDERATION OF LAND REFORM FARMERS IS ON THE BOARD OF DIRECTORS OF THE LOCAL FIRM AND IS THE LEADING LOCAL PROMOTER OF FERTILIZED. MR. FABIAN HAS VISITED THE EMBASSY WITH THE PORTERS TO DISCUSS EXIM AND OPIC FINANCING.

5. EMBOFF ALSO DISCUSSED THE PORTER'S FERTILIZED PROJECT WITH MR. ANDRONICO B. MORALES, ASST. V.P. INTERNATIONAL DIVISION, PHILIPPINE NATIONAL BANK IN LIGHT OF PORTER'S CLAIMS OF AN "UNCONDITIONAL GUARANTEE OF THE PNB." MR. MORALES MADE EXTENSIVE ENQUIRIES AT THE PNB AND REPORTS THAT "THE NAME ALONE (PORTER/FERTILIZED) HAS NEVER BEEN HEARD AT PNB, MUCH LESS THE PROJECT." HE CHECKED WITH THE INTERNATIONAL DIVISION, CREDIT DEPARTMENT, AND LOANS AND DISCOUNTS DEPARTMENT. MR. MORALES ENCOURAGED LIMITED OFFICIAL USE

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EMBOFF TO REPORT HIS FINDINGS TO EXIM.

6. MR. DAVID GREGG III, EXECUTIVE VICE PRESIDENT OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC) MET THE PORTERS DURING A RECENT VISIT TO THE PHILIPPINES AND DISCUSSED THE POSSIBILITY OF OPIC FINANCING WITH THEM. WE ALSO KNOW THAT FRANK R. HILL, SENIOR MANAGER, PROJECT FINANCE, OPIC HAS INVESTIGATED THE PROJECT. EXIM MAY

WISH TO OBTAIN OPIC'S OPINION ABOUT THIS PROJECT.

7. AS SUGGESTED ABOVE, THE EMBASSY IS NOT IN A POSITION
TO ASSESS THE PORTER CLAIMS THAT THIS PRODUCT IS
VASTLY SUPERIOR TO OTHER FERTILIZER PRODUCTS AND THAT IT
CAN PRODUCE UNPRECEDENTED RESULTS EVEN ON BARREN SOIL.
THIS TELEGRAM IS INTENDED ONLY TO REPORT ON HIS CLAIMS
TO EXIM REGARDING SUPPORT FROM THE FIA AND PNB.
SULLIVAN

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